

Blaby District Council
Audit & Corporate Governance Committee

Date of Meeting 22 April 2024
Title of Report Risk Management Quarter 4 2023/24
Report Author Finance Group Manager

1. What is this report about?

- 1.1 The report provides Audit and Corporate Governance Committee with an update in relation to the Council's Corporate Risk Register up to 31st March 2024.

2. Recommendation(s)

- 2.1 That the latest information in respect of the Council's major corporate risks is accepted.

3. Reason for Decision(s) Recommended

- 3.1 The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee. It is important that members are aware of the corporate risks and their potential impact on Council business, and that they review the control measures in place to mitigate risks.

4. Matters to consider

4.1 Background

The management of risk is a critical success factor in terms of an organisation achieving its objectives. The Audit and Corporate Governance Committee, supported by Internal Audit, has the role of evaluating the effectiveness of the Council's risk management procedures, and commenting upon areas of improvement as appropriate.

Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

Further information is contained within the Risk Management Strategy which was presented to this Committee in July 2023.

4.2 Corporate Risk Register

The Corporate Risk Register captures the most significant current risks that have a potential impact on the Council's strategic aims and objectives. Updates on the latest corporate risks are presented to Audit and Corporate Governance Committee every quarter.

Corporate Risks are monitored by the Corporate Risk Group which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, and the Council Tax Income and Debt Manager. The Corporate Risk Group met on 18th March 2024 to review and update the Corporate Risk Register, ensuring that it properly reflects the current corporate risks and that actions are in place to mitigate those risks. A copy of the Corporate Risk Register is included at Appendix A, and this sets out each risk, an assessment of the degree of risk to the Council, and any control measures that are in place to mitigate the likelihood and impact of the risk occurring.

The following table summarises the number of corporate risks before any control measures are put in place (i.e., uncontrolled risks).

All Corporate Risks – Uncontrolled Rating Summary			
Red	Amber	Green	Total
17	9	1	27

The corporate risks, once control measures have been put in place, i.e., controlled risks, are as follows:

All Corporate Risks – Controlled Rating Summary			
Red	Amber	Green	Total
5	12	10	27

Since the last quarterly report, risk number R015, which relates to the inability to deliver a new local plan and identify a five-year land supply, has been separated into two distinct risks:

Risk Description		Uncontrolled Risk Rating	Controlled Risk Rating
R157: The Council is unable to deliver a new Local Plan	Risk Likelihood	Very Likely (4)	Likely (3)
	Risk Impact	Major Impact (4)	Major Impact (4)
	Status	16	12
Control Measures	<ul style="list-style-type: none"> Identify additional sites for residential development. Release appropriate sites for residential development through the development management process. Progress the local plan in accordance with the Local Development Scheme. Member training plan in place. Resource in place to ensure delivery. 		

Risk Description		Uncontrolled Risk Rating	Controlled Risk Rating
R158: The Council is unable to meet its 5-year land supply target	Risk Likelihood	Very Likely (4)	Likely (3)
	Risk Impact	Major Impact (4)	Major Impact (4)
	Status	16	12
Control Measures	<ul style="list-style-type: none"> Re-establish land supply through new local plan. Ensure that Planning Committee are sufficiently well-trained to be able to approve favourable housing applications. 		

Other than this change, there have been no additions or removals to/from the Corporate Risk Register.

Overall, 17 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, 12 of these are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to 1 risk score being increased and 2 risk scores being decreased.

Increased risk:

R126 – impact of industrial action on services and residents. Increased from low to medium to reflect the fact that Trade Union activity has been more noticeable in recent weeks in advance of the new financial year and ensuing pay discussions.

Reduced risks:

R001 – Engagement of elected members negatively impacting on decision making process. Reduced from a medium risk to a low risk following the introduction of a new, cross-party whips group meeting.

R131 – Partners lose confidence in the Leicestershire Building Control Partnership delivery model. The current threat to the viability of the partnership has reduced. However, whilst the financial situation doesn't pose an immediate threat, there are concerns over recruitment and retention in relation to maintaining an appropriately skilled workforce. This is exacerbated by the increased training requirements being placed upon qualified building surveyors.

4.3 Service and Project Risk Registers

Service risks are those which are more related to operational and service delivery matters. They are maintained on a separate risk register and are subject to quarterly monitoring by Service Managers to ensure that they remain up to date and have not become obsolete. Group Managers will provide an overview of the service risks on a quarterly basis, but service risks will not be reported to Audit and Corporate Governance Committee other than in exceptional circumstances.

Project risks are managed through the Council's project management framework, with risk registers maintained for corporate projects and high-profile service projects. These are monitored through individual project teams and by the Senior Leadership Team sitting as Programme Board.

5. What will it cost and are there opportunities for savings?

- 5.1 There are no direct financial implications arising from this report. However, financial implications may arise because of inadequate risk management, but with robust procedures in place they are minimised or removed.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If risks are not effectively managed through mitigation, risks identified cannot be minimised and may have a significant impact on the Council.	Mitigating control measures are in place and monitored through Audit and Corporate Governance Committee, Corporate Risk Group and by Senior Leadership Team/Group Managers.

7. Other options considered

- 7.1 None. It is a requirement of the Risk Management Strategy that regular reports are brought to Audit and Corporate Governance Committee.

8. Other significant issues

- 8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

- 9.1 Appendix A – Corporate Risk Register (excluding IT risks)
- 9.2 Appendix B – IT Corporate Risks – EXEMPT

10. Background paper(s)

Risk Management Strategy 2023 – 2026.

11. Report author's contact details

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